

**MINUTES**  
**of the**  
**JOINT MEETING**  
**of the**  
**INFORMATION TECHNOLOGY OVERSIGHT COMMITTEE**  
**and the**  
**LOS ALAMOS NATIONAL LABORATORY OVERSIGHT COMMITTEE**  
**September 17, 2004**  
**Los Alamos Research Park**  
**Los Alamos**

The Information Technology (IT) Oversight Committee (ITOC) and the Los Alamos National Laboratory (LANL) Oversight Committee held a joint meeting on September 17, 2004. The meeting was called to order by Representative Roberto "Bobby" Gonzales, co-chair of the LANL Oversight Committee, at 10:00 a.m. in Room 203 of the Los Alamos Research Park in Los Alamos.

**PRESENT**

**ITOC:**

Rep. Debbie A. Rodella, vice chair  
Rep. Janice E. Arnold-Jones  
Sen. Linda M. Lopez  
Rep. Rory J. Ogle  
Rep. Luciano "Lucky" Varela

**LANL Oversight Committee:**

Rep. Roberto "Bobby" J. Gonzales, co-chair  
Sen. Phil A. Griego, co-chair  
Rep. Thomas A. Anderson  
Rep. Debbie A. Rodella  
Rep. Nick L. Salazar

**Advisory Members**

**ITOC:**

Sen. Rod Adair  
Rep. Jeannette O. Wallace

**LANL Oversight Committee:**

Rep. Ben Lujan  
Rep. Jeannette O. Wallace

**Staff**

Raul E. Burciaga and Kathleen Dexter for ITOC  
Jonelle Maison and Sarah Salazar for LANL Oversight Committee

**ABSENT**

**ITOC:**

Sen. Richard C. Martinez, chair  
Sen. Steve Komadina  
Sen. William H. Payne

**LANL Oversight Committee:**

Sen. William E. Sharer

**ITOC:**

Sen. Mark Boitano  
Rep. Ted Hobbs

**LANL Oversight Committee:**

Sen. Richard C. Martinez  
Sen. William H. Payne

## **Guests**

The guest list is in the meeting file.

Copies of all handouts and written testimony are in the meeting file.

## **Friday, September 17**

Jim West, Los Alamos county councilor, welcomed the committees to Los Alamos and spoke of efforts on the part of local governments to address transportation issues on a regional basis. He mentioned that the state's first regional transportation district had recently been certified in Belen and that other districts in the state are seeking certification as well.

## **STATE OF THE LABORATORY**

Admiral Peter Nanos, LANL director, gave an update on events at the lab, including his decision to suspend all operations in the wake of a safety incident involving a student injury and an incident in which removable electronic media containing classified data turned up missing. Admiral Nanos felt that the shutdown, which was unprecedented for Department of Energy (DOE) facilities, was necessary to allow the lab to conduct a thorough assessment of risk within its operations and contracts. At this time, 70 percent of the lab's work force has returned to normal operations, and the projected date for resumption of full operations throughout LANL is the first week of October. Major changes as the lab starts up include a significant reduction of the number of classified removable electronic media (CREM) used by lab employees and the creation of classified media libraries in which all lab media will be stored. Personnel staffing the media libraries will be fully trained in security measures and will qualify for a career ladder, as do employees in other crafts within LANL. Certain employee benefits and policies, such as flex time, were suspended with the shutdown but will be reestablished once the lab returns to full operations and after consultation with community representatives to determine what schedules work best for employees and surrounding communities.

On questioning from committee members, Admiral Nanos stated that:

- lab contracts stipulate that all employees will be paid, regardless of the shutdown;
- all crafts are back at work, though not at the same number of hours as during normal operations;
- no disciplinary measures were taken in May following an inventory discrepancy on removable media because the lab could not ensure the accuracy of the inventory; however, following the more recent incident involving CREM, several employees were either placed on administrative leave, terminated, suspended or reprimanded based on their actions in the work place;
- \$4 million in savings from reduced overhead costs in recent years is now being spent on LANL's new media storage system, which will reduce the lab's inventory of media from tens of thousands to a few thousand in the next year;
- lab employee morale is at a historic low point, in part because of the recent shutdown and also due to concerns about the security of jobs and benefits as the lab's contract comes up for bid; the new position of chief science officer has been created in part to

- address employee morale issues; UC has brought the lab through difficult times before and DOE should credit the transformation of the lab and its demonstrated progress;
- recent events at LANL might affect the lab's ability to get non-DOE contracts, which currently account for 25 percent of the facility's revenue;
  - the decision to shut down the entire lab was made because there had been such a varied lead-up of problems over the past two years there was no way to know where the next problem would appear; he has received supportive feedback for the decision at the federal level as well as from employees and community members;
  - all of the lab's construction contracts will be back in full operation by October; some construction contracts were not suspended with the lab shutdown because the contractors, e.g., Hansel Phelps, had a better national safety record than the lab;
  - LANL reviews each contractor's self-reported safety record, which is submitted to a national review body; safety performance incentives are now included in all lab contracts;
  - there were approximately 8,000 employees at LANL when he became the director, with a slight increase in that number now due to contract positions being converted to employee status;
  - the lab is not anywhere near a reduction in force; "it is not in the wind at all";
  - he does not want to create a climate of fear with the one-on-one safety assessments but to identify which employees need training or mentoring;
  - the number of retirements did not seem to be more than usual; and
  - the lab has memoranda of understanding with all the major universities and he has met with Northern New Mexico Community College on creating an educated local work force for the lab.

Representative Rodella requested a list of current construction contracts at LANL showing which ones are back in operation and which are not, as well as totals on the current number of lab employees and the number of contract employees converted to UC employees, all to be provided by LANL. Speaker Lujan requested the following: information on the number of retirees this year in contrast to previous years and information on the security clearances required in lab contracts, to be provided by LANL. Admiral Nanos agreed to investigate allegations that Midwest Drywall, doing work at LANL, is violating nationally mandated contract provisions requiring workers' compensation, federal withholding and social security payments.

### **STATE HOMELAND SECURITY PROGRAM**

David P. Albright, chief of staff of the Governor's Office of Homeland Security (GOHS), gave a presentation on information security projects in state agencies. Joining Mr. Albright for the presentation were Dr. Stephen Easley, GOHS deputy director for information security, Thure Meyer, chief information officer (CIO) for the General Services Department (GSD), Veronica Chavez-Neuman, CIO for the Department of Public Safety (DPS), Timothy McKenzie, DPS, and Tim Manning, state director of emergency management. Two major initiatives within the GOHS are a statewide highway incident management plan and a school bus driver security training program, the latter being the first security program for school bus drivers implemented in the country. Border security and solving communication problems between legacy software systems

are two current projects within the OCIO, and the GSD is addressing information security by assessing control and physical security at the Simms Data Center and through the successful implementation of an email message filtering system. DPS is participating in several efforts to share law enforcement information, including a Department of Defense project for sharing criminal information among border states, and has taken a leading role in establishing the Justice Portal through the Criminal Justice Information Management Team.

On questioning from committee members, the presenters stated that:

- prior to the establishment of the highway incident management plan, the state had no standard for the amount of time it takes to clear a highway obstruction;
- all school bus drivers in the state are required to take the security training, which is conducted in cooperation with the Public Education Department;
- the state police laptop communication project is approximately 80 percent implemented, but more funds are needed before it can be complete;
- while the GOHS and DPS are consulting with one another on recent bomb threat incidents in schools, these incidents are essentially a law enforcement issue;
- the director of homeland security and the governor have scheduled a meeting to discuss the organizational structure for a cabinet-level office of homeland security (OHS) to be established in statute;
- agency representatives will be meeting with the GOHS in October to compile a list of assets as part of a state vulnerability assessment; an inventory of IT assets will be generated as part of this process and will be available to ITOC;
- New Mexico is the first state to set a standard for security training for state employees, following a curriculum developed with federal cooperation; the private sector will be invited for training at a later time;
- language needs to be added to regulations and statutes to protect the state's data;
- DPS has a security training program for rural and volunteer firefighters;
- the responsibility for state IT security was originally with the OCIO but is now being reconsidered following Dr. Easley's transfer to the GOHS;
- corrective actions as a result of last year's study on IT security and intrusions include development of an IT resource usage policy distributed to and signed by all state employees, enterprise licensing and installation of message filtering software that has reduced the spam rate to nearly zero;
- although compliance with new security policies has been very good, 193 violations have occurred since the policies were adopted;
- the DPS policy for passwords, which includes penalties for noncompliance, will be submitted soon to the IT Commission (ITC) for review and public hearing prior to being adopted by all state agencies;
- \$350,000 was requested by the OCIO in the 2004 session to purchase an asset management tool and \$50,000 was appropriated; the money has not yet been spent;
- two federally funded projects are under way to develop interoperability in the state's IT architecture for better communication between agencies;
- federal funding for IT security is inadequate, and the governor feels it is not correctly

- allocated to rural states; and
- the IT asset inventory is taking a long time because planning and funding in state government takes a long time; IT security is critical to homeland security, and the new OHS would define mission criticality for the state's IT systems and prioritize asset replacement decisions based on that definition.

Committee members discussed the need to include the state defense force in homeland security matters; the fact that New Mexico Tech has been contracted to conduct a risk and security assessment for the state; the possibility of establishing a regional security training center at the old state penitentiary; the possibility that the OCIO is being overloaded with responsibilities; problems communicating with state agencies online because of the filtering system and the difficulty of getting "okayed" by the system; the Department of Finance and Administration's suggestion that agencies ignore the Legislative Finance Committee's request for information on IT requests; the need for better control on use of state communication systems by state employees; and the need to mesh GOHS efforts with federal and local efforts already in place.

Representative Varela requested that committee staff draft legislation to define and establish an OHS based on a review of similar agencies in neighboring states, and Representative Ogle suggested that the responsibility for IT security issues be moved to the OHS. Representative Ogle also requested a presentation by the CIO at the next ITOC meeting on the status of the \$50,000 appropriation for asset management. Mr. Albright agreed to provide committee members with a description of the structure of the proposed OHS; regulations and policies already in place regarding the GOHS; a list of agency representatives working with the GOHS; and information on the DPS training program for rural firefighters. Rick Ulibarri of the ITC stated that he would make a presentation to ITOC on the governor's review of the LANL asset management tool.

### **LANL CENTER FOR HOMELAND SECURITY PRESENTATIONS**

J. Wiley Davidson, director of the LANL Center for Homeland Security (CHS), gave an overview of the programs within the CHS, which was established in 2002 as part of the non-weapons national security mission at the lab. The center serves as the primary point of contact for the national Department of Homeland Security and consists of three divisions focused on radiological and nuclear threat reduction; borders, information and infrastructure protection; and chemical and biological threat reduction.

Ron Dolin, LANL CHS technical chief of staff, spoke about the center's participation in state and local homeland security initiatives, including the Anti-Terrorism Council, Border Security Task Force, Surety Task Force, Innovative Threat Assessment Team and InfraGard. The center has conducted several table top exercises in conjunction with DPS and the GOHS to assess the state's ability to respond to possible attack scenarios, such as an outbreak of infectious disease, simultaneous terrorist attacks in Albuquerque, Los Alamos and Las Cruces or an event involving weapons of mass destruction. CHS has also been conducting training for first responders and has hosted homeland security conferences around the state. On questioning from

committee members, Mr. Dolin stated that a vulnerability assessment was conducted at LANL just after September 11, 2001 and that executive summaries from the table top exercises might be available for review.

Greg Van Tuyle and Mark Abhold, CHS Radiation and Nuclear Threat Reduction Center associate director and technical staff member, respectively, explained traditional proliferation pathways for radiological and nuclear threats and corresponding nonproliferation strategies in place at LANL. They demonstrated the CZT Spectrometer, a device developed at LANL to detect and identify radioactive materials and to determine whether the materials pose a threat or are considered "innocent". On questioning from committee members, the presenters noted that the CZT Spectrometer is based on the Palm Pilot because it is powerful and commercially available; the spectrometer's current range is too small to detect radiation passing by on a vehicle; and while some drugs have a radioactive element and marijuana will set it off, the spectrometer is not designed to detect or identify drugs.

Gary Resnick, CHS Chemical and Biological Threat Reduction Center associate director, spoke of the chemical and biological threats present in the world today, 40 years after United States officials declared that infectious disease had been "beaten". He stated that there have been technical advances in chemical and biological threat reduction through research conducted at LANL, Sandia National Laboratories, the University of New Mexico and Lovelace Respiratory Research Institute (LRRI) but that resources are not available for developing the technologies. Mr. Resnick demonstrated an aerosol collector designed at LRRI that analyzes airborne pathogens and stated that the next generation of the device will be significantly smaller, perhaps hand-held, and will be capable of detection and analysis in less than one minute.

Wayne Hardie and Jim Doyle, CHS Borders, Information and Infrastructure Protection Center associate director and technical staff member, respectively, presented an animated model and simulation based on possible disruptions to the transportation, energy and communication infrastructures in Portland, Oregon. In addition to assessing infrastructure vulnerabilities, models such as the study presented can be used to predict the spread of infectious diseases in urban areas. On questioning from committee members, the presenters noted that while modeling can be used to assess communication patterns, they cannot be used to intercept particular communications; LANL is developing a model based on wildfires; pipelines and electricity are modeled together within an energy infrastructure; and the cost of doing an infrastructure model for the Espanola area would exceed \$100,000.

Fred Roach, acting CHS Reachback coordinator, explained the goal of the Reachback program as bringing LANL resources, expertise and technologies to bear on critical issues of national security. Reachback support is available to federal and state agencies, as well as to local entities such as first responder groups. On questioning from committee members, Mr. Roach stated that while LANL studies and models the path of hurricanes, it is not able to predict them; LANL is conducting behavioral modeling as part of its security efforts; and the Reachback program has plans to involve experts in state agencies and to integrate its security efforts with state efforts. He also agreed to provide copies of a diagram of a hurricane to committee

members.

### **ITOC COMMITTEE BUSINESS**

Representative Arnold-Jones requested that the minutes include an itemized accounting of questions asked of the CIO by committee members. Representative Rodella requested a presentation at the next ITOC meeting by a representative from the secretary of state's office on possible voting machine problems in the upcoming election. Representative Arnold-Jones suggested a presentation on the identity compromise issue.

### **LANL OVERSIGHT COMMITTEE BUSINESS**

The minutes of the first and second meetings of the committee were approved as submitted.

The next meeting of the committee will be October 15 in Santa Fe. **Please note that the meeting will begin at 9:00 a.m. rather than 10:00 a.m.** The November meeting is scheduled for November 12. The committee will meet December 13 with California legislators and may meet another day in December to make up for the August canceled meeting.

On motion duly made, seconded and adopted, the meeting was adjourned at 3:05 p.m.